



NovaBiotics Enters into Agreement with Taro

Licensing and co-development agreement for anti-fungal peptide treatment, Novexatin®

Aberdeen, UK – 28 August 2013 – NovaBiotics Ltd, the Aberdeen-based clinical-stage biotechnology company (“NovaBiotics” or the “Company”), today announced that it has entered into an exclusive agreement with Taro Pharmaceuticals North America, Inc. (“Taro”) to licence and co-develop Novexatin®, the Company’s first-in-class antifungal peptide treatment for fungal nail infections. Novexatin® is an investigational drug that is expected to enter a multi-centre Phase IIb study for mild-to-moderate onychomycosis in the US. NovaBiotics and Taro will jointly manage the study and other development activities for Novexatin®, with Taro as lead partner in the programme.

Dr. Deborah O’Neil, CEO and Scientific Officer of NovaBiotics, commented: “Novexatin® is an antifungal technology that has the potential to positively affect the onychomycosis space with the key advantage of delivering results within a short treatment period of 28 days. As a leader in dermatology, Taro is an excellent fit for NovaBiotics and our ambitions for Novexatin®.”

- Ends -

About NovaBiotics

NovaBiotics is developing novel peptide antifungal and antibacterial therapeutics that have the ability to treat a range of poorly served and clinically challenging infections. The mechanism of action of NovaBiotics’ drug candidates minimises or negates the chance of drug resistance developing in the target microbes/infections which they have been designed to treat. NovaBiotics’ antifungal and antibacterials are not toxic to human cells at therapeutic doses unlike many conventional antimicrobial medications. NovaBiotics’ lead clinical programme is Novexatin®. In addition to Novexatin®, the Company is developing Lynovex®, for cystic fibrosis (CF) an antibacterial compound that also breaks down excess mucous produced in the airways of CF patients that is expected to enter a Phase IIa study in Q1 2014; Novamycin®, a peptide antifungal agent against *Candida* and *Aspergillus*; Novarifyn®, a peptide antibacterial for difficult to treat multi-drug resistant Gram-negative and Gram-positive infections, including MRSA.

Further information is available at www.novabiotics.co.uk.

About Novexatin®

Novexatin® is a topical treatment for fungal nail infections (onychomycosis). The active pharmaceutical agent of this medicinal candidate is NovaBiotics' novel, patented antifungal peptide, NP213, which was developed specifically as a safe, fast-acting nail penetrating fungicidal molecule from the Company's proprietary antimicrobial peptide platform.

About fungal nail infections (onychomycosis)

According to GlobalData, the onychomycosis market in 2012 had generic antifungal sales of USD\$548.44 million and is expected to grow by 19.5% annually over the next decade and reach total revenue sales (US) of over USD\$3.26 billion by 2022.

About Taro

Taro Pharmaceutical Industries Ltd. is a multinational, science-based pharmaceutical company, dedicated to meeting the needs of its customers through the discovery, development, manufacturing and marketing of the highest quality healthcare products. For further information on Taro Pharmaceutical Industries Ltd., please visit the Company's website at www.taro.com.

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